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THE PRESIDENT HAS SEEN C.F.

THE WHITE HOUSE

WASHINGTON

November 4, 1974

MEETING WITH ROY L. ASH

Tuesday, November 5, 1974
2:00 P.M. (60 minutes)
The Oval Office

From: ~~Roy L. Ash~~

I. PURPOSE

To review the process for reaching decisions for the 1976 budget.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: The Office of Management and Budget and the White House staff are now reviewing 1976 budget proposals received from the agencies. To meet the statutory requirement for transmittal of the budget within 15 days after the beginning of the Congressional session, final decisions on agency budget amounts must be made by December 24 and all agency appeals and the final determinations of overall budget totals must be resolved by December 31.

This meeting will focus on the procedures that have been proposed to enable budget decisions to be made in the above time frame (see attached memo dated October 31, 1974).

B. Participants: Roy L. Ash, Paul O'Neill, Dale McOmber, Don Rumsfeld, Ken Cole, John Marsh, and Brent Scowcroft.

C. Press Plan: None

III. TALKING POINTS

A. The final submission date for the 1976 budget is now less

than three months away. Many budget decisions need to be made in the next three months, and we are here to discuss the procedures to be used in making those decisions.

- B. I would like Roy Ash to begin our discussion by outlining the proposed procedures for reaching budget decisions for FY 1976.

Attachment

THE WHITE HOUSE

WASHINGTON

OCT 31 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: ROY L. ASH^{LS/A}
SUBJECT: 1976 Budget Decisions

We are now reviewing 1976 budget proposals received from the agencies. At Tab A, we have outlined our general proposals for obtaining budget decisions from you.

Discussion

To meet the statutory requirement for transmittal of the budget 15 days after the beginning of the Congressional session, it will be necessary for final decisions to be made no later than the following:

- December 24 for determination of agency budget amounts;
- December 31 for resolution of all agency appeals and determinations of overall budget totals.

These are final dates; not all determinations can await these dates since a large amount of processing and printing must take place after specific determinations are made.

Before decision papers reach you, we will make checks with appropriate Executive Office staff. We have invited members of the Domestic Council, National Security Council, the Council of Economic Advisers, and the Council on International Economic Policy to participate in our detailed reviews of agency estimates.

Throughout the period December 1 to January 15, we will give you progress reports on the budget totals.

Recommendation

That you approve the general procedure outlined under Tab A.

Approve

Disapprove; see me

Attachment

cc: DO Records	Mr. Bray
Director's Chron.	Mr. Crabill
Director	Mr. Derman
Mr. O'Neill	Mr. Fischer
Mr. Ogilvie	Mr. Frey
Mr. Scott	Mr. Hill
Mr. Zarb	Mr. Loweth
Mr. McOmber	Mr. Sitrin
Mr. Modlin	
Mr. Mathiasen	
Mr. Strauss	
Ms. Walker	

BRD/DRMcOmber:lh 10/30/74

Obtaining Final Decisions
on the 1976 Budget

The following outlines a suggested procedure for obtaining Presidential decisions on the 1976 budget. In all cases, the recommendations to the President will be based upon intensive reviews by OMB and other Executive Office staff.

Larger agencies

For Cabinet Departments and other larger agencies, OMB will forward to the President a series of decision papers during the period November 26 through December 18. The decision papers will outline the proposed budget amounts and discuss significant issues. OMB also proposes at least four meetings with the President during that period to obtain his decisions.

Smaller agencies

OMB will provide tables showing amounts recommended for each of the smaller agencies. In a few cases, the issues will be significant and decision papers will be submitted, along with those for the larger agencies.

Agency appeals

OMB's recommendations to the President will identify agency recommendations in all cases. Agency officials will be informed of OMB's recommendations to the President before they are forwarded. The President's decisions will be communicated promptly by OMB to the agencies, with a clear understanding that they represent the President's determinations. If the agency head feels compelled to appeal the decision, OMB will ask him to send a memorandum to the President through OMB. The President will be involved further only if OMB and the agency are unable to resolve their differences.

In a few instances, when OMB and an agency cannot resolve their differences, it may be desirable for the President to meet with the agency head and Roy Ash to reach final settlements.

Domestic Policy Issues for Discussion with the President

Week I

Welfare Reform
National Health Insurance
Food Supply and Role of U.S.

Week II

Land Use
Oceans Policy
General Revenue Sharing

Week III

Higher Education
Work-Education Study
Water Resources Policy
Transportation Deregulation

Week IV

Social Security
Federal-local Planning
Amtrak Privatization
Project Independence

SPECIAL MESSAGE TO CONGRESS

Presidential Time	Day	Assignment
30 min	Tuesday 11/5	List prepared. President gives tone and selects specific items in Message.
-	Wednesday 11/6	OMB, Domestic Council, Economic Committee, NSC and Legislative Affairs prepare draft.
-	Thursday 11/7	First draft coordinated with Departments and Agencies. Text given to Theis.
-	Friday 11/8	Writers polish language and put Message in second draft. Delivered to President and Hartmann.
30 min	Saturday 11/9	President at Camp David, reviews Message.
60 min	Monday 11/11	President and Hartmann meet to discuss language and rewrite.
-	Tuesday 11/12	Presidential editing given to writers for final draft. Legislative leaders consulted.
-	Wednesday 11/13	Specific legislative action plan designed for each bill with responsibilities allocated.
5 min	Saturday 11/16	President signs Message. Press copies ready.
-	Monday 11/18	Message delivered to Congress.

MESSAGE OUTLINE

WINTER TERM OF 93RD CONGRESS

I. INTRODUCTION

Elections over; much work to be done.

II. NOMINATIONS

- . Nelson Rockefeller
- . 46 lapsed nominations resubmitted
- . Additional nominations to be submitted

III. VETOES

- . Legal situation of pocket vetoes (Counsel)
- . Burt, Pope, Kennedy Private Relief (H. R. 6624) (Justice)
- . Sharp Private Relief (H. R. 7768) (Justice)
- . National Wildlife Refuge (H. R. 11541) (Interior)
- . Farm Labor Registration (H. R. 13342) (Labor)
- . ✓ AEC Amendments (H. R. 15323) (AEC)
- . ✓ Rehabilitation (H. R. 14225) (HEW)
- . ✓ Freedom of Information (H. R. 12471) (Justice)

IV. APPROPRIATIONS

- . Agriculture H (Ag)
- . Labor-HEW HS (Labor-HEW)
- . Military Construction (DOD)
- . Foreign Assistance (State-AID)
- . 1st Supplemental H (OMB)

V. ECONOMY

- . Four packages of deferrals and rescissions (OMB)
- . Legislative economies upcoming (OMB)
- . \$300 billion ceiling H (OMB)
- . Amend Employment Act of 1946 (OMB)
- . Commission on Regulatory Reform (OMB)
- . Rice (Ag)
- . Peanuts (Ag)

- . Extra-long staple cotton (Ag)
- . PL 480 Amendment (Ag)
- . ✓ Antitrust Penalties S ✓ (Justice)
- . Justice investigation powers (Justice)
- . Special Unemployment Assistance (Labor)
- . Surface Transportation Act (DOT)
- . Financial Institutions (Treas)
- . Surtax (Treas)
- . Trade Reform H ✓ (CIEP)
- . Capital gains liberalization (Treas)
- . Preferred Stock Dividends (Treas)
- . Investment tax credit (Treas)

VI. ENERGY

- . Deepwater Ports HS ✓ (Interior)
- . Surface Mining HS ✓ (Interior)
- . Nuclear Plant Licensing (AEC)
- . ~~Clean Air Act Amendments~~ (EPA)
- . Gas Deregulation (FEA)
- . Windfall Profits Tax & relief for poor (Treas)
- . Coal conversion soon (FEA)
- . Naval Petroleum Reserves S (Interior)

VII. OTHER

- . Foreign Aid Authorization (State-AID)
- . Federal Mass Transportation HSC ✓ (DOT)
- . New Federal Judgeships (Justice)
- . Military Construction Authorization HS (DOD)
- . Veterans Education HSC (VA)
- . Ex-Im Bank (X-M)
- . Asian and African Bank S (Treas)
- . Illegal Aliens H (Justice)
- . Public Broadcasting (OTP)
- . Privacy (Counsel)

*Health
Counsel*